

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6127**

**BILL NUMBER:** SB 71

**NOTE PREPARED:** Feb 22, 2006

**BILL AMENDED:** Feb 21, 2006

**SUBJECT:** Drainage Assessments Against State Property.

**FIRST AUTHOR:** Sen. Ford

**FIRST SPONSOR:** Rep. Dodge

**BILL STATUS:** 2<sup>nd</sup> Reading - 2<sup>nd</sup> House

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) *Drainage Assessments:* This bill provides that the state and political subdivisions are not exempt from drainage assessments. The bill provides that the state is not entitled to a refund of a drainage assessment paid before January 1, 2006. It requires county treasurers to send annually to the state land office a list of state property for which drainage assessments are delinquent.

*Marion County Storm Water Special Taxing District:* The bill also establishes the procedures for and the conditions under which an excluded city or town in Marion County may withdraw from the storm water special taxing district.

**Effective Date:** January 1, 2006 (retroactive).

**Explanation of State Expenditures:** (Revised) *Drainage Assessments Summary:* The bill provides that the state is not exempt from drainage assessments. Consequently, the state would continue to pay the assessments. It is possible that the bill could result in additional payments that the state would need to make for drainage assessments for which the state is not currently being assessed. Total drainage assessments for the Indiana Department of Transportation (INDOT) and the Department of Natural Resources (DNR) equaled \$56,834 in 2005. The amount of payments for which the state might be liable is not known at this time.

*Background Information:* The DNR and INDOT are currently paying drainage assessments. (Information on drainage payments by other state entities will be provided if they become available.)

*DNR Drainage Payments.* The DNR Division of Fish and Wildlife paid \$12,766 in 2005 for drainage

assessments. The assessment was paid to several counties' assessors. The largest assessment of \$3,263 was paid to Noble County. DNR paid Newton County an assessment of \$1,338 and Tipton County an assessment of \$1,035.

The DNR Division of Parks and Reservoirs paid \$12,916 in 2005 for drainage assessments. The assessment was paid primarily to Noble County.

The DNR Division of Forestry reported a drainage assessment payment of \$37 for 2005.

The Division of Nature Preserves reported a drainage assessment payment of \$432 for 2005.

The total drainage assessment paid by DNR in 2005 equaled \$26,153.

*INDOT Drainage Payments.* INDOT drainage payments are listed in the table below.

| INDOT Storm Water Runoff Assessment Fees |              |             |
|--|--------------|-------------|
|  | Monthly Rate | Annual Rate |
| Crawfordsville District                  |              |             |
| No charges                               | \$ -         | \$ -        |
| Fort Wayne District                      |              |             |
| New Haven                                | \$ 257.81    | \$ 3,093.72 |
| Fort Wayne                               | \$ 430.40    | \$ 5,164.80 |
| Marion                                   | \$ 45.00     | \$ 540.00   |
| Angola                                   | \$ 18.00     | \$ 216.00   |
| Wabash                                   | \$ 73.47     | \$ 881.64   |
| Greenfield District                      |              |             |
| Greenfield Utilities                     | \$ 750.00    | \$ 9,000.00 |
| Anderson Utilities                       | \$ 217.00    | \$ 2,604.00 |
| Shelbyville Utilities                    | \$ 168.00    | \$ 2,016.00 |
| LaPorte District                         |              |             |
| No Charges                               | \$ -         | \$ -        |
| Seymour District                         |              |             |
| Clarksville Wastewater                   | \$ 354.00    | \$ 4,248.00 |
| North Vernon Water Dept.                 | \$ 10.00     | \$ 120.00   |
| Vincennes District                       |              |             |
| Chandler Utilities                       | \$ 4.00      | \$ 48.00    |
| Chandler Utilities                       | \$ 4.00      | \$ 48.00    |
| Chandler Utilities                       | \$ 225.12    | \$2,701.44  |
| Totals                                   | \$2,556.80   | \$30,681.60 |

**Explanation of State Revenues:** *Drainage Assessments:* The bill provides that the state is not entitled to a refund of a drainage assessment paid before January 1, 2006. Consequently, the state will not experience an increase in revenue resulting from a refund of drainage payments.

**Explanation of Local Expenditures:** (Revised) *Drainage Assessments:* The bill requires county treasurers to send annually to the State Land Office a list of state property for which drainage assessments are delinquent. This provision will increase administrative costs for the counties; however, it is presumed that revenue received from drainage payments could cover any additional administrative costs.

The bill also provides that the properties of political subdivisions, schools, and libraries would not be exempt

from drainage assessments. This provision will increase expenses for these entities by an indeterminable amount.

*Marion County Storm Water Special Taxing District:* The bill also establishes the procedures for and the conditions under which an excluded city or town in Marion County (Speedway, Lawrence, Beech Grove, and Southport) may withdraw from the storm water special taxing district. A municipality may withdraw from the district if the municipal legislative body adopts an ordinance withdrawing the municipality from the district. The municipal legislative body must mail written notice of a meeting to adopt the ordinance to all owners of lots and parcels within the municipality that are subject to storm water user fees imposed in the district by the department of public works (DPW) of the consolidated city. The municipality must also mail a notice to the DPW. If a municipal legislative body adopts an ordinance, the municipal legislative body must mail written notice of the withdrawal from the district to the DPW. If bonds are outstanding, the municipality is liable for that indebtedness in the same ratio as the assessed valuation (AV) of the property in the municipality bears to the AV of all property included in the district.

If a municipal legislative body adopts an ordinance, the district is entitled to receive the following:

- (1) An annual lump sum payment equal to the total amount of property taxes paid and allocated to the district's flood debt service fund from all property taxpayers within the municipality, to the extent the property taxes are not necessary to pay the indebtedness owed by the municipality. Payment is required for property taxes assessed beginning on the January 1 preceding the effective date of the municipality's withdrawal from the district.
- (2) The total amount of storm water user fees collected by the department of public works of the consolidated city from the lots and parcels in the municipality beginning on the January 1 preceding the effective date of the municipality's withdrawal from the district.

Payments received must be deposited by the municipality in a dedicated fund and may be used by the municipality only for purposes of storm water management.

The Storm water district consists of nearly 3,000 miles of sewer lines. In addition to its Indianapolis/Marion County customers, the DPW also has interjurisdictional agreements for wastewater treatment and disposal with the Cities of Beech Grove, Greenwood, and Lawrence. Wastewater from these communities is routed into the Indianapolis wastewater collection system.

The impact of this provision will depend on local action. Expenditures for Indianapolis/Marion County could increase for operation of the district. Costs for municipalities that opt out of the district will also be affected.

**Explanation of Local Revenues:** *Drainage Assessments:* Counties may experience an increase in revenues if local units determine that the state has not been assessed drainage payments in the past for which the state was liable. The impact is indeterminable.

**State Agencies Affected:** DNR, INDOT.

**Local Agencies Affected:** Counties, political subdivisions, schools, libraries, and certain municipalities in Marion County.

**Information Sources:** Burgess Brown, Legislative Liaison, DNR; Larry Owens, Budget Analyst, INDOT; [www.indygov.org/eGov/City/DPW/Environment/Wastewater](http://www.indygov.org/eGov/City/DPW/Environment/Wastewater).

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